



MISSOURI TECHNOLOGY CORPORATION

TWO YEARS ENDED JUNE 30, 2000

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-110
October 12, 2000
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

October 2000

www.auditor.state.mo.us

Our office is required by state law to regularly audit the Missouri Technology Corporation, an organization which helps strengthen the state's economy through the development of science and technology.

We audited financial statements for two years ended June 30, 1999 and 2000, and have no findings or concerns. We did note:

- The corporation's financial statements fairly represent the financial position of the organization.
- The corporation's operations and general cash flow follow accepted accounting procedures.
- The corporation's internal control over financial reporting has no material weaknesses.

YELLOW SHEET

MISSOURI TECHNOLOGY CORPORATION

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Honorable Mel Carnahan, Governor
and
Joseph L. Driskill, Director
Department of Economic Development
and
Members of the Board of Directors
Missouri Technology Corporation
Jefferson City, Missouri 65102

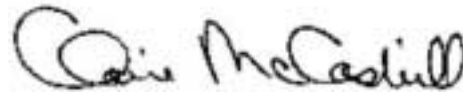
We have audited the accompanying financial statements of Missouri Technology Corporation, as of and for the years ended June 30, 2000 and 1999, as identified in the table of contents. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Missouri Technology Corporation, as of June 30, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 24, 2000, on our consideration of the corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the corporation's management and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

August 24, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

| | |
|---------------------|------------------------|
| Director of Audits: | Kenneth W. Kuster, CPA |
| Audit Manager: | John Blattell, CPA |
| In-Charge Auditor: | Terrie Laswell |
| Audit Staff: | Troy Royer |



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Honorable Mel Carnahan, Governor
and
Joseph L. Driskill, Director
Department of Economic Development
and
Members of the Board of Directors
Missouri Technology Corporation
Jefferson City, Missouri 65102

We have audited the financial statements of the Missouri Technology Corporation, as of and for the years ended June 30, 2000 and 1999, and have issued our report thereon dated August 24, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

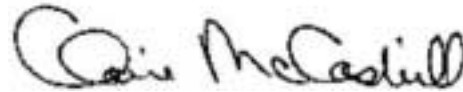
Compliance

As part of obtaining reasonable assurance about whether the financial statements of the Missouri Technology Corporation are free of material misstatement, we performed tests of the corporation's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the Missouri Technology Corporation, we considered the corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of the Missouri Technology Corporation, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

August 24, 2000 (fieldwork completion date)

Financial Statements

Exhibit A

MISSOURI TECHNOLOGY CORPORATION
COMPARATIVE BALANCE SHEET

| | June 30, | |
|--------------------------------------|------------------|---------------|
| | <u>2000</u> | <u>1999</u> |
| ASSETS | | |
| Cash (Note 2) | \$ 48,620 | 48,838 |
| Total Assets | <u>48,620</u> | <u>48,838</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts Payable | 0 | 900 |
| Fund equity: | | |
| Retained Earnings | <u>48,620</u> | <u>47,938</u> |
| Total Liabilities and Fund Equity | \$ <u>48,620</u> | <u>48,838</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

MISSOURI TECHNOLOGY CORPORATION
COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS

| | Year Ended June 30, | |
|------------------------------------|---------------------|--------|
| | 2000 | 1999 |
| OPERATING REVENUES | \$ 0 | 0 |
| OPERATING EXPENSES | | |
| Corporation expense | 657 | 0 |
| Total Operating Expenses | 657 | 0 |
| OPERATING INCOME (LOSS) | (657) | 0 |
| NONOPERATING REVENUES | | |
| Interest income | 1,339 | 1,073 |
| Total Nonoperating Revenues | 1,339 | 1,073 |
| NET REVENUES OVER (UNDER) EXPENSES | 682 | 1,073 |
| RETAINED EARNINGS, JULY 1 | 47,938 | 46,865 |
| RETAINED EARNINGS, JUNE 30 | \$ 48,620 | 47,938 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

MISSOURI TECHNOLOGY CORPORATION
COMPARATIVE STATEMENT OF CASH FLOWS

| | Year Ended June 30, | |
|---|---------------------|---------------|
| | 2000 | 1999 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash payments for corporation expenses | \$ (657) | 0 |
| Cash payments for professional and technical services | (900) | 0 |
| Net Cash Used By Operating Activities | (1,557) | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 1,339 | 1,073 |
| Net Cash Provided by Investing Activities | 1,339 | 1,073 |
| NET INCREASE (DECREASE) IN CASH | (218) | 1,073 |
| CASH, JULY 1 | 48,838 | 47,765 |
| CASH, JUNE 30 | <u>\$ 48,620</u> | <u>48,838</u> |
| RECONCILIATION OF NET REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| Revenues over expenses | \$ 682 | 1,073 |
| Adjustments to reconcile revenues over expenses net cash provided (used) by operating activities: | | |
| Interest income | (1,339) | (1,073) |
| Decrease in accounts payable | (900) | 0 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ (1,557)</u> | <u>0</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

MISSOURI TECHNOLOGY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

These financial statements present the Missouri Technology Corporation (MTC), a not-for-profit corporation.

Expenses presented for the corporation may not reflect the total cost of the corporation's activities. Other direct and indirect costs and services provided by the Department of Economic Development and other state agencies are not allocated to the corporation.

B. Basis of Accounting

The financial statements for the MTC are prepared in conformity with generally accepted accounting principles. The statements are presented on the accrual basis of accounting which recognizes revenues when earned and expenses when the related liability is incurred.

C. Fiscal Authority and Responsibility

Fiscal authority and responsibility rests with the Board of Directors of the corporation.

2. Cash

Cash was maintained in a negotiable order of withdrawal (NOW) account and two certificates of deposits at June 30, 2000, and a NOW account at June 30, 1999. At June 30, 2000 and 1999, the reported amount and book balance was \$48,620 and \$48,838, respectively. The interest rate for the NOW account at June 30, 2000 and 1999, was 2.25 percent and the two certificates of deposits was 5.95 percent and 5.50 percent. The corporation's deposits at June 30, 2000 and 1999, were entirely covered by federal depositary insurance.

STATISTICAL SECTION

History, Organization, and
Statistical Information

MISSOURI TECHNOLOGY CORPORATION HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The Missouri Technology Corporation (MTC) was authorized by Section 348.263, RSMo 1994, to replace the Missouri Business Modernization and Technology Corporation. The MTC was organized and held its first board meeting on November 16, 1994, and its Articles of Incorporation were filed with the Secretary of State on January 10, 1995.

The purposes of the MTC are to contribute to the strengthening of the economy of the state through the development of science and technology, to promote the modernization of Missouri businesses by supporting the transfer of science, technology and quality improvement methods to the workplace, and to enhance the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization and technology development.

The board of directors of the MTC is composed of fifteen persons and shall consist of the following members:

- 1) The director of the Department of Economic Development, or the director's designee;
- 2) The president of the University of Missouri system, or the president's designee;
- 3) A member of the state senate, appointed by the president pro tem of the senate;
- 4) A member of the house of representatives, appointed by the speaker of the house;
- 5) Eleven members appointed by the governor, two of which shall be from the public sector and nine members from the private sector who shall include, but shall not be limited to, individuals who represent technology-based businesses and industrial interests. The governor shall also appoint one of the members, who must be from the private sector, as chairman.

Members of the MTC board of directors at June 30, 2000, were:

Mr. Frank Stokes, Chairman
Dr. John T. Park, Vice-Chairman
Mr. David Corwin, Secretary/Treasurer
Ms. Lynda K. Andrews
Dr. David L. Bodde
Mr. Bill Borgmeyer
Dr. Delbert Day
Mr. Joseph L. Driskill
The Honorable Jerry T. Howard
Dr. Manuel Pacheco
Mr. Dennis D. Roedemeier
Ms. Carol Rosenbaum
Mr. David Steward

There were two vacancies on the MTC board of directors at June 30, 2000.

* * * * *